

Steelmaker ArcelorMittal profit builds on market recovery

Global steel giant ArcelorMittal said Friday, 10 November, its net profit soared in the third quarter thanks to solid market demand as well as strong prices for its products.



Image source: www.pixabay.com

Sales jumped by 21.5% from the same period last year to \$17.6bn, while its net profit shot up 71.4% to \$1.2bn, both beating the consensus of estimates of analysts surveyed by Bloomberg.

"Favourable market conditions have supported another solid quarterly performance," chief executive Lakshmi Mittal said in a statement.

He pointed to operating earnings over the first nine months of the year, which rose by 36% from the same period last year to nearly \$6.3bn.

"Operating conditions continue to improve, with key indicators including the ArcelorMittal weighted PMI implying a positive outlook for 2018," he said, referring to surveys of executives on their business perspectives which are widely used as an indicator for future developments in the markets.

In the third quarter, operating profit came in at \$1.9bn, a gain of 1.4% from the same period last year but was down nearly 9% from the second quarter.

Mittal said he was "pleased with the progress that we are making" but noted that "we operate in a competitive global environment which is characterised by overcapacity and high levels of imports".

He said the firm needed to push forward with its strategic plan Action 2020, saying it remains a "clear priority".

That plan, announced last year, aims at squeezing down costs to boost profitability while increasing output.

It targets making an operating profit of \$85 per tonne in 2020, while in the third quarter it dropped to \$73, a drop from \$83 in the second quarter and the same period last year.

Source: AFP

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